

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

MILLENNIUM TELECARD, INC., et al.

Defendants.

Civil Action No.: 11-2479(JLL)(CCC)

**FOURTH SUPPLEMENTAL
DECLARATION OF
LOUIS R. DEFALCO, CPA**

LOUIS R. DEFALCO, of full age declares as follows:

1. I am a Certified Public Accountant, Founder and Managing Partner of DeFalco & Company, Certified Public Accountants ("DeFalco & Co.") with offices in Scotch Plains and Hoboken, New Jersey. As set forth in my August 5, 2011 Declaration [Docket Entry No.: 42-1], DeFalco & Co. was initially retained by the Court appointed Receiver, Nicholas R. Amato, Esq., to provide accounting services and serve as financial advisor for the Receiver, in the above referenced action. As further set forth in my September 15, 2011 Supplemental Declaration [Docket Entry No.: 53-6], Mr. Amato's role as Receiver was converted to that of a Monitor, and he again requested that DeFalco & Co. continue to assist him as the Monitor. As such, I have personal knowledge of the facts herein.

2. My qualifications and rate for professional services, as well as the background and qualifications of DeFalco & Co., are set forth in my August 5, 2011 Declaration, which I incorporate by reference herein.

3. As Managing Partner of DeFalco & Co., I am aware of the firm's clients and business interests. I reaffirm that DeFalco & Co. has no interest in this suit, or in any of the parties thereto, which would disqualify our firm from serving Mr. Amato in good faith.

4. When Mr. Amato, as the Court appointed Receiver, retained DeFalco & Co., our firm's role was to assist him in assessing the corporate defendants' financial position and in determining whether the company could be operated profitably and legally. DeFalco & Co. agreed to bill Mr. Amato the normal rates that we bill our corporate clients for similar or like professional services.

5. Our firm continues to provide the same services which include monitoring the corporate defendants' financial operation and advising Mr. Amato regarding the firms' financial outlook.

6. Throughout the course of our involvement in this matter, we responded to Mr. Amato's requests for information, analyses, recommendations and the like. A detail of the services provided to the Receiver are included in our December 8, 2011 overview of services report. A true and correct copy of this report is attached hereto at Exhibit 1.

7. Overall, our firm billed \$14,496.25 from November 1, 2011 to November 30, 2011, while assisting Mr. Amato in his role as Monitor. A true and correct copy of our invoices is attached hereto at Exhibit 2.

I declare under penalty of perjury that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



LOUIS R. DEFALCO

Dated: December 14, 2011



DeFALCO & CO. CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL CORPORATION

322 PARK AVENUE • SCOTCH PLAINS, NEW JERSEY 07076 • (908) 322-9055
625 WASHINGTON STREET • HOBOKEN, NEW JERSEY 07030 • (201) 659-5699
FAX (908) 322-7155

December 8, 2011

**Nicholas R. Amato, Monitor
Genova, Burns & Giantomasi
494 Broad St.
Newark, NJ 07102**

Re: Millennium Services

Report #5

Dear Mr. Amato:

We are submitting this overview of services rendered form November 9, 2011 thru December 2, 2011 covering services rendered for the Month of November 2011.

GENERAL OVERVIEW OF SERVICES

During the month of November, 2011 we reestablished the weekly site visitation process utilized to develop the cash activity reports required to be submitted to the Monitor. In addition, we finalized the process of reconciling the internal quickbooks system to the tax returns as filed for December 31, 2010 and updated the reconciliation of the internal quickbooks system to reflect the financial reports issued as of July 31, 2011. In addition, we assisted in updating and reconciling accounts receivable and accounts payable information to the internal quickbooks system from which October 31, 2011 internal management reports were developed and supplied to the Monitor. We had significant discussion with the principal, Fadi Salim, and the Monitor regarding lagging collections and suggested an effective plan of action be established to address bringing collections back to a timely basis with the goal of establishing adequate positive cash flow to support the operating costs and other obligations of the enterprise on a timely basis.

CHRONOLOGY OF SERVICES PERFORMED - November 9 thru December 2, 2011 relative to the Month of November 2011

November 10 thru November 15

We continued the site visit process established to gather requisite data and prepared cash reports and submitted same to the Monitor for the period October 1 thru October 31, 2011.

November 16 thru November 18

We discussed interim status with the Monitor regarding weak collections, stagnant accounts receivable and major west coast distributor cessation of business with MTC. We performed reconciliation of accounts receivable and accounts payable as of October 31, 2011. We performed the conversion of MTC quickbooks records to reconcile to its tax return as of December 31, 2010 and updated same thru July 31, 2011 reports. We addressed various income tax filing issues regarding previous company accountant's Sub Chapter S elections and began the process of converting partnership to S Corporation data for year end December 31, 2010. We prepared the cash report for the period November 11 thru November 18 and supplied same to the Monitor.

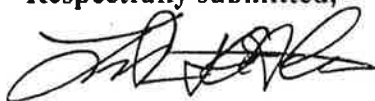
November 19 thru December 2

We finalized internal financial reports thru October 31, 2011 and discussed same with the Monitor. We prepared the cash report thru November 26th and supplied same to the Monitor. We discussed the current lagging in collections of accounts receivable with the Monitor.

Our charges for services rendered for and relating to the Month of November 2011 are being invoiced to the Monitor in the amount of \$14,496.25.

Our fees for services rendered thru December 2, 2011 relative to reporting of activity for the Month of November, 2011, are submitted with this report.

Respectfully submitted,



Louis R. De Falco, CPA
Managing Partner

DE FALCO & COMPANY, P.A.

**Certified Public Accountants
322 PARK AVENUE
SCOTCH PLAINS, NJ 07076
908-322-9055**

*Millennium LLC Nick Amato Receivership
c/o Genoca, Burns, and Giantomasi
494 Broad Street
Newark, NJ 07102*

Invoice No. 27072
Date 12/09/2011
Client No. 01796

GENERAL ACCOUNTING SERVICES

Time for the month of November 2011.

Total	\$ 14,496.25
Previous Balance	<u>7,575.00</u>
Total Amount Due	<u>\$ 22,071.25</u>

**Payment due upon receipt.
Thank You**

Billing Worksheet

Primary Partner - Client Master - Code
For the Period: 01/01/1990 - 12/09/2011

Primary Partner: DE FALCO, L., LOUIS (1)

Master Client: 01796 - Millennium LLC Nick Amato Receivership

Millennium LLC Nick Amato Receivership (0)

Master Client: 01796 - Millennium LLC Nick Amato Receivership						
Millennium LLC Nick Amato Receivership (0)						
WIP - Millennium LLC Nick Amato Receivership (0) -						
ACCTG	MISC	0037 SPECIAL SERVICES	DE FALCO,	11/10/2011	Eng Fee 0.00	FYE Dec
					WIP 14496.25	Progress 0.00
					Net WIP 14496.25	AR Balance 7575.00
<hr/>						
Memo					Rate	Hours
					Amount	
ACCTG	MISC	0037 SPECIAL SERVICES	DE FALCO,	11/10/2011	write report for month of October related services	375.00
ACCTG	MISC	0041 CLERICAL	DeMartino,	11/11/2011	send email to Nick Amato for Nick	1.00
ACCTG	MISC	0038 BUSINESS	FITZSIMMON	11/11/2011	REVIEW WEEKLY CASH FLOW NUMBERS WITH NICK V	0.25
ACCTG	MISC	0037 SPECIAL SERVICES	VISAGGIO,N	11/11/2011	site visit to obtain cash analysis and prepare cash report fo nick amato	0.25
ACCTG	MISC	0041 CLERICAL	DENARO,KAT	11/14/2011	e-mail Third Supplemental Declaration/LDF to Nick Amato	7.00
ACCTG	MISC	0037 SPECIAL SERVICES	VISAGGIO,N	11/14/2011	prepare cash report for Nick Amato for the period of 10-1-11 to 10-31-11	0.25
ACCTG	MISC	0038 BUSINESS	FITZSIMMON	11/15/2011	review files and ye numbers for collection and mtc to set up omn jennifer qbooks	3.00
ACCTG	MISC	0041 CLERICAL	DeMartino,	11/16/2011	email tax returns to Jennifer for her records	0.50
ACCTG	MISC	0041 CLERICAL	DeMartino,	11/16/2011	call CCh to see if the information from the partnership can be switched over to a S corp	250.00
ACCTG	MISC	0037 SPECIAL SERVICES	DE FALCO,	11/16/2011	go over interim status with Nick V - collections weak, old A/R's still stagnant, major west coast distributor cut off selling for MTC	65.00
ACCTG	MISC	0037 SPECIAL SERVICES	VISAGGIO,N	11/16/2011	reconciliation of a/p and a/r for the 10 month period ended 10-31-11	0.25
ACCTG	MISC	0038 BUSINESS	FITZSIMMON	11/16/2011	convert mtc quick books to actual numbers at 12/31/10 & 07/31/11 begin work on 8/1/11 to 10/31/11 ldf/nf/z/fadi re 8332 election made by old accountant to be taxes as s corp effective 1/1/10 and effects of	1.00
					375.00	375.00
					250.00	1250.00
					250.00	1875.00

Dec 09, 2011

9:17:20 AM

DE FALCO & COMPANY, P.A.

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Billing Worksheet

Primary Partner - Client Master - Code
For the Period: 01/01/1990 - 12/09/2011

Primary Partner: DE FALCO, L., LOUIS (1)

WIP - Millennium LLC Nick Amato Receivership (0) -				Memo	Rate	Hours	Amount
ACCTG MISC	0038 BUSINESS	FITZSIMMON	11/17/2011	BEGIN CONVERTING 1065 DATA TO 1120S FOR YE 12/31/10 REV WITH NV OPEN ITEMS TO 10/31/11 MTC AND COLLECTION LATINA	250.00	4.50	1125.00
ACCTG MISC	0038 BUSINESS	FITZSIMMON	11/18/2011	nv re 10/31/11 books	250.00	1.00	250.00
ACCTG MISC	0041 CLERICAL	DENARO,KAT	11/18/2011	prepare & e-mail to Nick Amato/MTC	45.00	0.50	22.50
ACCTG MISC	0037 SPECIAL SERVICES	VISAGGIO,N	11/18/2011	Cash Analysis as of 11/18/11 cash report for Nick Amato for 11-11-11 to 11-18-11 for the monitoring court requirements.	250.00	7.00	1750.00
ACCTG MISC	0038 BUSINESS	FITZSIMMON	11/21/2011	nv re 10/31/11 f/s update and info to be put on their qb	250.00	0.50	125.00
ACCTG MISC	0038 BUSINESS	FITZSIMMON	11/21/2011	ldf re filing 1120s returns and 1065 previously filed	250.00	0.50	125.00
ACCTG MISC	0038 BUSINESS	FITZSIMMON	11/28/2011	nv re schedule for this week and closing 10/31/11 mtc and collection latina	250.00	0.25	62.50
ACCTG MISC	0038 BUSINESS	FITZSIMMON	11/30/2011	10/31/11 f/s conf nv/na/ldf	250.00	6.00	1500.00
ACCTG MISC	0037 SPECIAL SERVICES	VISAGGIO,N	11/30/2011	performed the cash report and analysis of a/r to close out month of october	250.00	7.00	1750.00
ACCTG MISC	0037 SPECIAL SERVICES	DE FALCO,	11/30/2011	go over current financial status with nick and wait, tel conf w nick amato to bring up to date on collection issues, etc.	375.00	1.50	562.50
ACCTG MISC	0038 BUSINESS	FITZSIMMON	12/01/2011	ldf re status of a/r and cash flow	250.00	0.25	62.50
ACCTG MISC	0037 SPECIAL SERVICES	VISAGGIO,N	12/02/2011	cash report	250.00	2.00	500.00
ACCTG MISC	0041 CLERICAL	DENARO,KAT	12/02/2011	prepare & e-mail cash analysis	45.00	0.50	22.50
ACCTG MISC	0041 CLERICAL	DeMartino,	12/06/2011	11/26/11/to Nick Amato	65.00	0.25	16.25
				MISC Totals		58.00	14496.25
				ACCTG Totals		58.00	14496.25
				Millennium LLC Nick Amato Receivership (0)		58.00	14496.25
				DE FALCO, L., LOUIS (1)		3.50	1312.50
				DeMartino,Rose Ann (43)		1.00	65.00

Employee Summary

Dec 09, 2011

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DE FALCO & COMPANY, P.A.

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Billing Worksheet

Primary Partner - Client Master - Code
For the Period: 01/01/1990 - 12/09/2011

Primary Partner: DE FALCO, L., LOUIS (1)**WIP - Millennium LLC Nick Amato Receivership (0) -**

Memo	Rate	Hours	Amount
DENARO,KATHY (36)		1.25	56.25
FITZSIMMONS,WALTER (2)		21.25	5312.50
VISAGGIO,NICOLO (4)		31.00	7750.00
Totals		58.00	14496.25

Service Code Summary**BY SERVICE CODE**

ACCTG MISC 0037 SPECIAL SERVICES		34.50	9062.50
ACCTG MISC 0041 CLERICAL		2.25	121.25
ACCTG MISC 0038 BUSINESS CONFERENCES & MEETING		21.25	5312.50
Totals		58.00	14496.25